

## HUMAN SERVICES DEPARTMENT[441]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 514I.5, the Department of Human Services proposes to amend Chapter 86, “Healthy and Well Kids in Iowa (HAWK-I) Program,” Iowa Administrative Code.

The proposed amendments would enable children to establish or regain eligibility for HAWK-I when eligibility has been denied or canceled due to failure to provide required information or a completed review form. In both situations, eligibility would be granted if the necessary information or the completed review form is provided no later than 14 calendar days from the date of the notice of denial or the effective date of cancellation, and if the Department determines that eligibility exists.

These amendments will allow families to resolve the reason for the denial or cancellation rather than having to start all over again with a new application. Having to reapply may discourage families of otherwise eligible children from obtaining needed assistance. These changes are expected to result in the issuance of more timely benefits, fewer gaps in benefit eligibility, and less repeated work for eligibility staff. The changes should also reduce the number of appeals of denials and cancellations.

The amendments also exempt reasonable income-producing costs from all unearned income to align policies with other health and financial support programs of the Department.

These amendments do not provide for waivers in specified situations because the changes benefit the families affected. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

Any interested person may make written comments on the proposed amendments on or before December 8, 2009. Comments should be directed to Mary Ellen Imlau, Bureau of Policy Analysis and Appeals, Department of Human Services, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515)281-4980 or by E-mail to [policyanalysis@dhs.state.ia.us](mailto:policyanalysis@dhs.state.ia.us).

These amendments are intended to implement Iowa Code chapter 514I.

The following amendments are proposed.

ITEM 1. Amend rule **441—86.1(514I)**, definition of “Unearned income,” as follows:

“*Unearned income*” means cash income of all parents, spouses, and children under the age of 19 who are living together in accordance with subrule 86.2(3) that is not gained by labor or service. The available unearned income shall be the amount remaining after the withholding of taxes (Federal Insurance Contribution Act, state and federal income taxes) and any reasonable income-producing costs. Examples of unearned income include, but are not limited to:

1. to 4. No change.

ITEM 2. Amend paragraph **86.3(7)“b”** as follows:

*b.* Failure to supply the information or verification or refusal to authorize the third-party administrator to secure the information shall serve as a basis for rejection of the application or cancellation of coverage. If the requested information or authorization is received within 14 calendar days of the notice of decision on an application or within 14 calendar days of the effective date of cancellation for enrollees, the information or authorization shall be acted upon as though it had been provided timely. If the fourteenth calendar day falls on a weekend or state holiday, the applicant or enrollee shall have until the next business day to provide the information.

ITEM 3. Amend subrule 86.9(2) as follows:

**86.9(2) *Failure to provide information.*** The child shall not be enrolled for the next 12-month period if the family fails to provide information and verification of income or otherwise fails to cooperate in the annual review process. If the completed review form and any information necessary to establish continued eligibility is received within 14 calendar days of the end of an enrollment period, the review form and information shall be acted upon as though it had been received timely. If the fourteenth calendar day falls on a weekend or state holiday, the enrollee shall have until the next business day to provide the review form and any information necessary to establish continued eligibility.